

**BAAZEEM TRADING COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
INTERIM CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE THREE-MONTH AND NINE-MONTH  
PERIODS ENDED SEPTEMBER 30, 2023 (UNAUDITED)  
TOGETHER WITH INDEPENDENT AUDITOR'S REVIEW  
REPORT**

**BAAZEEM TRADING COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED  
SEPTEMBER 30, 2023 (UNAUDITED)  
TOGETHER WITH INDEPENDENT AUDITOR'S REVIEW REPORT**

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**INDEPENDENT AUDITOR'S REPORT ON REVIEW**  
**OF INTERIM CONDENSED CONSOLIDATED**  
**FINANCIAL STATEMENTS**

To the **Shareholders of Baazeem Trading Company**  
(A Saudi Joint Stock Company)

**Introduction:**

We have reviewed the accompanying interim condensed consolidated statement of financial position of Baazeem Trading Company (A Saudi Joint Stock Company) ("the company") and its subsidiary collectively referred to together as the ("Group"), as at September 30, 2023, and the related interim condensed consolidated statements of profit or loss and the other comprehensive income for the three-month and nine-month period then ended, changes in shareholders' equity, and cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory notes.

The management is responsible for preparing and presenting these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 (interim Financial Reporting) endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

**Scope of Review:**

We conducted our review in accordance with the International Standard on Review Engagements No. (2410) Review of interim Financial Information performed by the independent auditor of the entity, endorsed in the Kingdom of Saudi Arabia. A review of the interim financial statements consists of making inquiries, primarily, to those responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the International Standards of Auditing endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express such an audit opinion.

**Conclusion:**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34 (Interim Financial Report), as endorsed in the Kingdom of Saudi Arabia.

**Emphasis of matter:**

Refer to note no.(2) group information regarding the Group investment in baazeem trading establishment - Qatar (a subsidiary). It shown that the investment is registered under the name of one of the main shareholders (Chairman of the Board of Directors) since the beginning of 2008. This investment was approved in the minutes of the meeting of the Board of Directors and the minutes of the Ordinary General Assembly of the company.

**For Al-Kharashi Co.**



**Abdullah S. Al Misned**  
**License No. (456)**

**Riyadh:**  
**Rabi' II 24, 1445 H**  
**November 8, 2023**



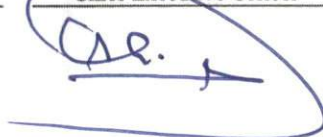
**Baazeem Trading Company**  
**(A Saudi Joint Stock Company)**  
**Interim condensed Consolidated Statement of Financial Position (unaudited)**  
**As at September 30, 2023**  
**(All amounts are in Saudi Riyals unless otherwise stated)**

	Note	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
<b>Assets</b>			
<b>Non-current assets:</b>			
Property, plant and equipment, net		29,975,043	32,111,872
Right-of-use assets, net		2,521,204	2,645,194
Intangible assets, net		963,073	1,477,131
Financial assets at fair value through other comprehensive income	5	3	3
<b>Total non-current assets</b>		<b>33,459,323</b>	<b>36,234,200</b>
<b>Current assets:</b>			
Inventory, net	6	45,114,237	66,244,520
Trade receivables and other debit balances, net	7	120,952,121	100,568,768
Cash and cash equivalents	8	40,820,342	46,553,703
<b>Total current assets</b>		<b>206,886,700</b>	<b>213,366,991</b>
<b>Total assets</b>		<b>240,346,023</b>	<b>249,601,191</b>
<b>Shareholder's Equity and Liabilities</b>			
<b>Shareholder's Equity:</b>			
Paid Share capital	1-b	101,250,000	101,250,000
Statutory reserve		30,375,000	30,375,000
Retained earning		59,714,132	60,380,362
Employees defined benefit obligations remeasurement reserve		(1,623,258)	(1,623,258)
<b>Total shareholder's equity</b>		<b>189,715,874</b>	<b>190,382,104</b>
<b>Liabilities</b>			
<b>Non-current liabilities:</b>			
Lease obligations - non-current portion		2,655,300	2,560,342
Employees defined benefit obligations provision		8,439,651	9,073,586
<b>Total non-current liabilities</b>		<b>11,094,951</b>	<b>11,633,928</b>
<b>Current liabilities:</b>			
Banks - credit facilities short-term	9	11,898,068	24,842,359
Lease obligations - current portion		127,099	125,685
Trade payables and other credit balances		23,648,907	18,045,876
Due to related parties		376,254	376,254
Zakat provision	10	3,484,870	4,194,985
<b>Total current liabilities</b>		<b>39,535,198</b>	<b>47,585,159</b>
<b>Total liabilities</b>		<b>50,630,149</b>	<b>59,219,087</b>
<b>Total shareholder's equity and liabilities</b>		<b>240,346,023</b>	<b>249,601,191</b>

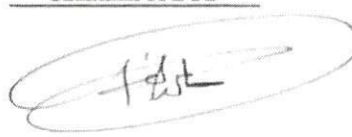
Finance Department



Chief Executive Officer



Chairman of BOD



The accompanying notes from an integral part of these Interim condensed consolidated financial statements.

**Baazeem Trading Company**  
(A Saudi Joint Stock Company)

Interim condensed Consolidated statement of profit or loss and other comprehensive income  
(unaudited)

For the three-month and nine-month period ended September 30, 2023

(All amounts are in Saudi Riyals unless otherwise stated)

Note	For the three-month period ended		for the nine-month period ended	
	September 30, 2023 (unaudited)	September 30, 2022 (unaudited)	September 30, 2023 (unaudited)	September 30, 2022 (unaudited)
Revenue, net	60,457,458	63,207,806	195,249,632	196,099,207
Cost of revenue	(40,214,130)	(40,745,950)	(123,351,008)	(123,959,016)
Gross profit	20,243,328	22,461,856	71,898,624	72,140,191
<b>Operating Expenses:</b>				
Selling and marketing expenses	(10,929,487)	(12,114,612)	(32,982,592)	(32,974,194)
General and administrative expenses	(3,785,511)	(4,567,998)	(16,763,938)	(17,098,317)
Other expenses, net	(632,949)	(416,307)	(1,372,768)	(1,341,397)
Profit from operations	4,895,381	5,362,939	20,779,326	20,726,283
Investment losses in fair value valuation	-	-	-	(238,260)
Other income	256,660	4,635	648,605	1,093,256
Finance cost	(96,362)	(163,569)	(389,161)	(614,208)
Profit before zakat for the period	5,055,679	5,204,005	21,038,770	20,967,071
zakat	(1,160,000)	(1,160,000)	(3,480,000)	(3,480,000)
Net profit for the period	3,895,679	4,044,005	17,558,770	17,487,071
Other comprehensive Income Item:				
Other comprehensive income items that will be later be reclassified to profit or loss:				
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	3,895,679	4,044,005	17,558,770	17,487,071
<b>Earnings per share (Saudi Riyals)</b>	11			
Basic and diluted earnings per share from profit from operations	0.48	0.53	2.05	2.05
Basic and diluted earnings per share from net profit for the period	0.38	0.40	1.73	1.73

Finance Department

Chief Executive Officer

Chairman of BOD

The accompanying notes from an integral part of these Interim condensed consolidated financial statements.



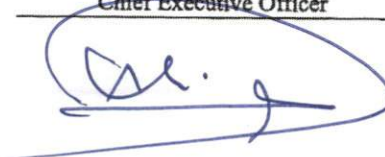
**Baazeem Trading Company**  
**(A Saudi Joint Stock Company)**  
**Interim condensed Consolidated Statement of Changes in shareholder's Equity (unaudited)**  
**For the nine-month period ended September 30, 2023**  
**(All amounts are in Saudi Riyals unless otherwise stated)**

	<b>Paid Share Capital</b>	<b>Statutory Reserve</b>	<b>Retained Earnings</b>	<b>Employees defined benefit obligations remeasurement reserve</b>	<b>Total shareholder's equity</b>
<b>Balance as at January 1, 2022 (Audited)</b>	101,250,000	30,375,000	63,410,991	(950,236)	194,085,755
Net profit for the period	-	-	17,487,071	-	17,487,071
Dividends (Note 16)	-	-	(24,806,250)	-	(24,806,250)
<b>Balance as at September 30, 2022 (Unaudited)</b>	<b>101,250,000</b>	<b>30,375,000</b>	<b>56,091,812</b>	<b>(950,236)</b>	<b>186,766,576</b>
<b>Balance as at January 1, 2023 (Audited)</b>	101,250,000	30,375,000	60,380,362	(1,623,258)	190,382,104
Net profit for the period	-	-	17,558,770	-	17,558,770
Dividends (Note 16)	-	-	(18,225,000)	-	(18,225,000)
<b>Balance as at September 30, 2023 (Unaudited)</b>	<b>101,250,000</b>	<b>30,375,000</b>	<b>59,714,132</b>	<b>(1,623,258)</b>	<b>189,715,874</b>

Finance Department



Chief Executive Officer



Chairman of BOD



The accompanying notes from an integral part of these Interim condensed consolidated financial statements.

**Baazeem Trading Company**  
**(A Saudi Joint Stock Company)**  
**Interim condensed of Consolidated Statement of Cash Flow (unaudited)**  
**For the nine-month period ended September 30, 2023**  
**(All amounts are in Saudi Riyals unless otherwise stated)**

	Note	For the nine-month period ended	
		September 30, 2023	September 30, 2022
		(Unaudited)	(Unaudited)
<b>Cash flows from operating activities:</b>			
Profit before zakat for the period		21,038,770	20,967,071
<b>Adjustments to non-cash transaction:</b>			
Depreciation of Property, plant and equipment		2,495,339	2,518,598
Depreciation of Right-of-use assets		123,990	123,990
Amortization of Intangible assets		514,058	514,059
Employee defined benefit obligation expenses		900,000	900,000
Impairment in value of inventory	6	1,372,768	1,336,695
Gain from disposal of Property, plant and equipment		-	(936,480)
Finance cost		389,161	614,206
		<b>26,834,086</b>	<b>26,038,139</b>
<b>Changes in working capital</b>			
Trade Receivables and other debit balances, net		(20,383,353)	(16,902,468)
Inventory, net		19,757,515	264,399
Trade payables and other credit balances		5,603,031	8,825,702
Due to related Parties		-	(5,286)
Finance cost paid		(292,788)	(513,774)
		<b>31,518,491</b>	<b>17,706,712</b>
Zakat paid	10	(4,190,115)	(4,279,174)
Employee defined benefit obligation payment		(1,533,935)	(1,151,786)
<b>Net cash flow generated from operating activities</b>		<b>25,794,441</b>	<b>12,275,752</b>
<b>Cash flows from investing activities:</b>			
Additions to property, plant and equipment		(358,511)	(888,819)
Proceeds from disposal of property, plant and equipment		-	5,544,349
<b>Net cash flow (used in) / generated from investing activities</b>		<b>(358,511)</b>	<b>4,655,530</b>
<b>Cash flows from financing activities:</b>			
Payments of banks credit facilities	9	(89,408,574)	(78,228,545)
Proceeds from banks credit facilities	9	76,464,283	88,507,194
Dividends paid	16	(18,225,000)	(24,806,250)
<b>Net cash flow used in financing activities</b>		<b>(31,169,291)</b>	<b>(14,527,601)</b>
<b>Net change in cash and cash equivalents</b>		<b>(5,733,361)</b>	<b>2,403,681</b>
Cash and cash equivalents at the beginning of the period		46,553,703	35,720,926
<b>Cash and cash equivalents at the end of the period</b>	8	<b>40,820,342</b>	<b>38,124,607</b>

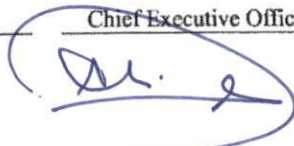
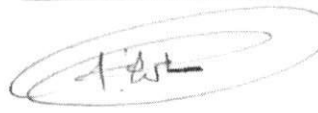
**Non-cash transaction:**

Provision used against inventory	6	(1,372,768)	(1,336,695)
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Finance Department

Chief Executive Officer

Chairman of BOD

The accompanying notes from an integral part of these Interim condensed consolidated financial statements.

**1- Company information:**

**A. Establishing the company**

**Baazeem Trading Company (SA)** - a Saudi joint-stock company - listed, established as per Ministerial Resolution No. (50/Q), dated Safar 12, 1429H (February 19, 2008) after announcing the transformation of Baazeem Trading Company Mohammed Bin Saleh Baazeem & Co. from a limited partnership company to a Saudi Joint-stock company - listed under the name of Baazeem Trading Company. The Company was registered in Riyadh under the same Commercial Registration No. 1010017281 dated Sha'ban 11, 1398H.

The Board of Directors of the Capital Market Authority (CMA) approved the prospectus on Rabi Al-Thani 19, 1438 H (January 17, 2017). The Board of Directors of Baazeem Trading Company - a Saudi joint-stock company - listed issued 3,037,500 shares representing 30% of its shares in the parallel market.

On November 28, 2019, the Capital Market Authority approved the request submitted by the Company on October 8, 2019, to transfer from the parallel market to the principal market. The Company's shares have been listed and traded on the principal market as of December 4, 2019.

**B. The company's share capital**

The share capital of the Company amounts to SR 101,250,000 consisting of 10,125,000 shares with a nominal value of SR10 per share. The founders subscribed to the entire share capital of the Company as in-kind shares.

On Safar 27, 1438 H (November 27, 2016), the Board of Directors of the Company and the Shareholders in the Extraordinary General Assembly decided to issue 3,037,500 shares representing 30% of the Company's shares in the parallel market. On Rabi Al-Thani 19, 1438 H (January 17, 2017), the Board of Directors of the Capital Market Authority (CMA) approved the prospectus of Baazeem Trading Company, a Saudi Joint Stock Company - Listed.

**C. The nature of the company's activity**

The Company's activities include wholesale of coffee and tea products, wholesale of food items and drinks, wholesale of cosmetics and beauty soaps, wholesale of soaps and detergents, wholesale of raw plastic materials, rubber, and industrial fibers, general stores having a variety of goods, and sale of tools and plastic materials (including bags).

The activity of the Company's branch (Baazeem Factory for Industry) includes the manufacturing of sanitary paper, napkins, cleaning wipes, towels, tissue paper, towel rolls, and ready-made food packaging.

**D. Fiscal year**

The company's financial year is twelve months from the beginning of January until the end of December each calendar year.

**E. Presentation currency and activity**

The financial statements are prepared in Saudi Riyals, which is the currency of activity and offer for the company, all the numbers are rounded to the nearest Riyal, unless otherwise indicated.



**Baazeem Trading Company**  
**(A Saudi Joint Stock Company)**  
**Notes to the Interim condensed consolidated financial statements**  
**For the nine-month period ended September 30, 2023 (unaudited)**  
**(All amounts are in Saudi Riyals unless otherwise stated)**

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**2- Group information**

The accompanying interim condensed consolidated financial statements include the financial statements of the Company and the Subsidiary (Collectively referred to as the “Group”) as at September 30, 2023.

<u>Name of subsidiary</u>	<u>Country of incorporation</u>	<u>Shareholding % as at</u>	
		<u>September 30, 2023</u>	<u>December 31, 2022</u>
Baazeem Trading Establishment	Qatar	100%	100%

The investment in the subsidiary company mentioned above is registered in the name of one of the main shareholders (Chairman of the Board of Directors) starting from 2008, and the investment is approved in the minutes of the Board of Directors and the minutes of the company’s Ordinary General Assembly.

**The following are the branches of the company according to commercial registration:**

<u>Serial</u>	<u>Name of branch</u>	<u>Commercial Register No.</u>	<u>Date of commercial registration</u>
1	Jeddah Branch	4030034688	1/8/1402 H
2	Dammam Branch	2050106377	26/10/1436 H
3	Tabuk Branch	3550036807	26/10/1436 H
4	Buraidah Branch	1131056151	26/10/1436 H
5	Madinah Al Munawarah Branch	4650079224	26/10/1436 H
6	Khamis Mushait Branch	5855068837	26/10/1436 H
7	Baazeem Factory for Industry	4042007183	24/11/1438 H

**3- The Foundations of the preparation of interim condensed consolidated financial statements:**

**3-1 Statement of commitment**

These interim condensed consolidated financial statements were prepared in accordance with IAS 34 (Interim Financial Reports) endorsed in the kingdom of Saudi Arabic and other standards pronouncements that are issued by Saudi organization for chartered and professional accountants (SOCPA)

These interim condensed consolidated financial statements don’t include all the information and disclosures required to prepare a full set of the consolidated financial statements. Hence, these interim condensed consolidated financial statements should be read on conjunction with the group consolidated financial statements for the year ended December 31, 2022.

**3-2 Accounting basis**

These interim condensed consolidated financial statements are prepared in accordance with the principle of historical cost and using Accrual basis and the concept of continuity of activity, except the employee’s defined benefits obligation, which is recognized at the present value of future obligation using the projected unit credit method and financial assets at fair value through other comprehensive income.

**Use of estimation and judgments.**

The preparation of these consolidated financial statements requires management to use provisions and estimates that affect the application of accounting policies and the amounts listed for assets, liabilities, revenues, and expenses. Actual results may differ from these estimates. The areas of management are important in the application of accounting policies and important sources of estimates and uncertainties that have a substantial impact similar to those described in the consolidated financial statements of the previous year.

### **3- The Foundations of the preparation of interim condensed consolidated financial statements (Continued):**

#### **3-3 The basis for interim condensed consolidating consolidated financial statements**

The consolidated financial statements include the financial statements of the parent company, Baazeem Trading Company and its subsidiary (collectively referred to as the Group) as at September 30, 2023. Control over the invested business is achieved when it has the right to obtain different returns as a result of its participation in the investee company, and it has the ability to influence these returns by exercising its influence over the investee company. In particular, the Group controls the investee if, and only if, the Group has:

- Leverage over the investee company (for example: it has the right that gives it the power to control the activities of the investee company).
- Exposure to risks and the right to obtain variable returns as a result of its participation in the investee company.
- The ability to use its influence over the investee company to affect its returns.

In general, there is an assumption that the majority of voting rights will lead to control. To support this assumption and when the Group has a lower level than the majority of voting rights or similar rights in the investee company, the Group takes into account all relevant facts and circumstances when assessing whether the Group has control over the investee company, and these facts and circumstances include the following:

- Contractual agreements with voting rights holders of the investee company.
- Rights resulting from other contractual agreements.
- The Group's right to vote and potential voting rights.
- Any additional facts or circumstances that indicate that the Group has or does not have the current ability to control activities related to decision-making, including voting on cases in previous shareholder meetings.

The Group performs a reassessment to ascertain whether or not it exercises control over the investee company, when facts and circumstances indicate that there is a change in one or more elements of control. Consolidation of a subsidiary begins when the Group has control of the subsidiary and ceases when the Group relinquishes exercising such control.

The assets, liabilities, income and expenses of the subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date control is transferred to the Group and until the Group relinquishes exercising such control.

Income and each component of comprehensive income which relates to the equity holders of the parent company and the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When it is necessary, the financial statements of subsidiaries are amended so that their accounting policies are prepared in line with the Group's accounting policies.

All intercompany balances in the Group such as assets, liabilities, equity, income, expenses and cash flows resulting from operations between the Group companies are completely eliminated upon consolidation of the financial statements.

Any change in ownership interests in the subsidiary, without loss of control, is treated as an equity transaction. In the event that the Group loses control over the subsidiary, it will cease to recognize the related assets and liabilities, non-controlling equity and other elements of equity, and the resulting gains or losses are recognized in the consolidated statement of profit or loss. The investment retained is recognized at fair value.

**3- The Foundations of the preparation of interim condensed consolidated financial statements (Continued):**

**3-3 The basis for consolidating consolidated financial statements (Continued):**

In the event that the Group loses control over the subsidiaries:

- The assets (including goodwill) and liabilities associated with the subsidiary are excluded.
- Exclusion of the present value of any rights not controlled.
- Exclusion of cumulative balance differences recorded in equity.
- Recognition of the fair value of the assets received.
- Recognition of the fair value of any remaining investments.
- Recognition of any surplus or deficit in profits or losses.

Reclassification of the parent company's share in subsidiaries previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate, as it becomes a requirement if the Group directly disposes of assets and liabilities.

**4- Significant accounting policies:**

The accounting policies applied to these the interim condensed consolidated financial statements are the same as those applied to the annual consolidated financial statements for the fiscal year ended December 31, 2022.

**Baazeem Trading Company**  
**A Saudi Joint Stock Company**  
**Notes on Interim condensed consolidated financial statements**  
**For the nine-month period ended September 30, 2023 (unaudited)**  
**(All amounts are in Saudi Riyals unless otherwise stated)**

**5- Financial assets at fair value through other comprehensive income**

<u>Company Name</u>	<u>Country of incorporation</u>	<u>Main activity</u>	<u>Percentage of ownership</u>		<u>Acquisition cost</u>	<u>September 30, 2023</u>	<u>December 31, 2022</u>
			<u>September 30, 2023</u>	<u>December 31, 2022</u>		<u>(Unaudited)</u>	<u>(Audited)</u>
Shamil Bank of Yemen and Bahrain - Joint-Stock	Republic of Yemen	Financial	8.96	8.96	10,189,262	1	1
Burum Seafood Company - Joint-Stock	Republic of Yemen	Industrial	11.50	11.50	4,317,290	1	1
Al-Mawarid Company for Education & Health Services - Joint-Stock	Republic of Yemen	Services	1.70	1.70	3,874,173	1	1
					<b>18,380,725</b>	<b>3</b>	<b>3</b>

**5-1** In the light of the Company's Board's constant monitoring of the status of investments in the Republic of Yemen, which has been going through tumultuous economic conditions and the impact of the same on the financial statements, and due to the Management's inability to determine the impairment of the said investments because of the circumstances, the group's Management fully impaired during 2019 the Company's investments in the Republic of Yemen.

**Baazeem Trading Company**  
**A Saudi Joint Stock Company**  
**Notes on Interim condensed consolidated financial statements**  
**For the nine-month period ended September 30, 2023 (unaudited)**  
**(All amounts are in Saudi Riyals unless otherwise stated)**

**6- Inventory, Net**

	<b>September 30, 2023</b>	<b>December 31, 2022</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Material and cleaning tools	35,242,975	50,464,554
Food stuff	8,810,628	12,143,391
Packing and packaging materials	916,454	1,471,748
Goods in transit	144,180	2,164,827
	<b>45,114,237</b>	<b>66,244,520</b>

The impairment in value of inventory movement is as follows:

	<b>September 30, 2023</b>	<b>December 31, 2022</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Balance at the beginning of the period / year	-	-
Charged during the period / year	1,372,768	1,365,284
Used during the period / year	(1,372,768)	(1,365,284)
Balance at the end of the period / year	-	-

**7- Trade Receivables and other debit balances, Net**

	<b>September 30, 2023</b>	<b>December 31, 2022</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Trade Receivables	113,885,608	93,375,358
Zakat, Tax and customs Authority - VAT	6,538,580	6,538,580
Prepaid expenses and other debit balances	2,116,586	1,746,529
Advances to employees	1,716,428	1,626,036
Advances to suppliers	173,899	529,433
Miscellaneous debtors	134,541	366,353
	<b>124,565,642</b>	<b>104,182,289</b>
Impairment in value of trade receivables	(2,613,521)	(2,613,521)
Impairment in value of other debit balances	(1,000,000)	(1,000,000)
	<b>120,952,121</b>	<b>100,568,768</b>

The impairment in value of trade receivables movement is as follows:

	<b>September 30, 2023</b>	<b>December 31, 2022</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Balance at the beginning of the period / year	2,613,521	3,039,830
Charged during the period / year	-	1,142,185
Used during the period / year	-	(1,568,494)
Balance at the end of the period / year	<b>2,613,521</b>	<b>2,613,521</b>

The impairment in value of other debit balances movement is as follows:

	<b>September 30, 2023</b>	<b>December 31, 2022</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Balance at the beginning of the period / year	1,000,000	-
Charged during the period / year	-	1,000,000
Balance at the end of the period / year	<b>1,000,000</b>	<b>1,000,000</b>



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**8- Cash and Cash equivalent**

	<b>September 30, 2023</b>	<b>December 31, 2022</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Term deposits *	20,515,000	-
Banks – current accounts	15,883,209	43,314,480
Cheques – under collection	4,422,133	3,239,223
	<b>40,820,342</b>	<b>46,553,703</b>

\* Term deposits represent short-term deposits which compatible with the provisions of Islamic Sharia in number of local banks Due within three months or less from the date of acquisition with a value of 20.5 million Saudi riyals as at September 30, 2023.

**9- Banks – Credit facilities short-term:**

	<b>September 30, 2023</b>	<b>December 31, 2022</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Bank credit facilities short-term for letters of credit	11,898,068	19,842,359
Short-term tawarruq	-	5,000,000
	<b>11,898,068</b>	<b>24,842,359</b>

**The movement of banks credit facilities during the period / year is as follows:**

	<b>September 30, 2023</b>	<b>December 31, 2022</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Balance at the beginning of the period \ year	24,842,359	16,423,160
Proceeds during the period \ year	76,464,283	152,809,442
Paid during the period \ year	(89,408,574)	(144,390,243)
<b>Balance at the end of the period \ year</b>	<b>11,898,068</b>	<b>24,842,359</b>

Represent financing the working capital, opening letters of credit and Tawarruq on letters of credit, financing direct transfers to suppliers in order to finance the Company's liabilities based on the agreements signed between the Company and a number of banks. These agreements are compatible with the provisions of Islamic Sharia.

**10- Zakat provision:**

**Zakat provision movement**

The Zakat provision movement is as follows:

	<b>September 30, 2023</b>	<b>December 31, 2022</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Balance at the beginning of the period\year	4,194,985	4,284,044
Charged during the period \ year	3,480,000	4,190,115
Paid during the period \ year	(4,190,115)	(4,279,174)
<b>Balance at the end of the period \ year</b>	<b>3,484,870</b>	<b>4,194,985</b>

**Value Added Tax (VAT)**

- During the year 2020, the company obtained an adjusted assessment of value added tax, where the authority demands the company for tax differences in the amount of SAR 5,994,256 for the years 2018 and 2019, and based on the authority's initiative that if the principal amount is paid, the fines will be dropped, so the company has paid the original value-added tax difference In the amount of SAR 2,427,910, the Authority will then remove the amount of the fine for error in entry and the fine for delay in payment. The company has submitted an objection to the Zakat, Tax and Customs Authority, and the objection was rejected. The company then submitted a settlement request, but no agreement was reached with the settlement committee.

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**10- Zakat provision: (continued)**

**Value Added Tax (VAT) (continued)**

Accordingly, the objection was submitted to the Committee for Adjudication of Tax Violations and Disputes, and a session was set on March 27, 2022, during which a ruling was issued to dismiss the company's lawsuit, and the ruling was deposited with the General Secretariat of Tax Committees on May 06, 2022.

The company filed an appeal on the lawsuit on June 27, 2022, and the appeal request was registered for the lawsuit No. 134517-2022-V and on June 27, 2022, with the General Secretariat of the Tax Committees and it has not been considered to date, and the tax advisor believes that the company's position is good.

- During the year 2021, the company obtained an assessment of value-added tax for the months of June and December 2020 and a number of other months, where the tax authority requires the company to tax differences in the amount of SAR 4,110,670 in addition to fines for error in the declaration and fines for late payment for the year 2020, and the company has paid These amounts were submitted to the tax authority on September 28, 2021, so that it could submit an objection for the months of June and December, while the differences for the remaining months were paid without objection. The company submitted an objection for the months of June and December to the Zakat, Tax and Customs Authority, and the objection was rejected on February 6, 2022.

On March 1, 2022, the company filed an objection case No. 92699-2022-V to the General Secretariat of the Tax Committees, and a hearing was scheduled for October 27, 2022, during which consideration of the case was postponed to November 20, 2022. The decision of the General Secretariat of Tax Committees was received, and the company filed an objection request against it on April 10, 2023. The request was registered with the General Secretariat of Tax Committees with No. 191863-2023-V. The tax advisor believes that the company's position is good, as the objected item does not represent taxable revenue, but rather a deduction from an external supplier. The Company submitted its tax returns for the years from 2018 to 2022, according to its inputs and outputs.

**11- Earnings per share:**

The calculation of underlying/ delimited earnings per share is based on the return on ordinary shareholders and the weighted average number of existing common shares. Earnings per share as of September 30, 2023 was calculated based on the weighted average number of shares held during the year with a number of 10,125,000 shares (September 30, 2022: 10,125,000 shares). There are no potential discounted ordinary shares. Adjusted earnings per share is the same as the underlying profit per share as the Group has no convertible securities or reduced financial instruments to exercise it.

	<b>For the three-month period ended</b>		<b>For the nine-month period ended</b>	
	<b>September 30, 2023</b>	<b>September 30, 2022</b>	<b>September 30, 2023</b>	<b>September 30, 2022</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Profit from operations	4,895,381	5,362,939	20,779,326	20,726,283
Net profit for the period	3,895,679	4,044,005	17,558,770	17,487,071
weighted average number of shares	10,125,000	10,125,000	10,125,000	10,125,000
Basic and diluted earnings per share from profit from operations	0.48	0.53	2.05	2.05
Basic and diluted earnings per share from net profit for the period	0.38	0.40	1.73	1.73

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## **12- Capital management:**

In order to manage the group's capital, the capital includes equity and all other equity reserves belonging to the group's owners. The main purpose of managing the group's capital is to maximize the value of shareholders' shares. The Group manages and adjusts its capital structure considering changes in economic conditions and financial commitment requirements. To maintaining or modifying the capital structure, the Group may adjust dividend amounts paid to shareholders, return capital to shareholders or issue new shares. The group monitors capital using the leverage ratio, which represents net debt divided by total equity plus net debt. The group's liabilities include net debt, term loans, commercial accounts payable, lease obligations, payable expenses and other credit balances, minus bank balances.

	<b>September 30, 2023</b>	<b>December 31, 2022</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Banks - credit facilities short-term	11,898,068	24,842,359
Trade payables and other credit balances	23,648,907	18,045,876
Due to related parties	376,254	376,254
Lease obligations - current portion	127,099	125,685
Less: Cash and cash equivalents	(40,820,342)	(46,553,703)
<b>Net debt</b>	<b>(4,770,014)</b>	<b>(3,163,529)</b>
Total equity	189,715,874	190,382,104
Leverage rate	(2.51)%	(1.66)%

## **13- Fair Value of Financial instruments**

Fair value is the amount received when an asset is sold or paid to transfer a liability in an organized transaction between market participants on the date of measurement. The company's financial instruments consist of financial assets and financial liabilities. The company's financial assets consist of cash and its equivalents, trade receivables, advance payments to suppliers, other debit balances and due from related parties. Financial liabilities consist of bank-credit facilities, trade payables and accrued expenses. The fair value of financial instruments is not significantly different from their book value, unless otherwise indicated.

## **14- Risk management**

### **Special commission price risk**

Special commission price risk relates to the risks resulting from the fluctuation of the value of a financial instrument as a result of the change in the prevailing commission rates in the market, and the company is subject to the risk of special commission rates on its assets associated with special commissions such as Murabaha deposits and credit facilities.

### **Credit risk**

Credit risk is the risk that other parties will not be able to meet their contractual obligations to the Company, which may result in a financial loss to the Company. The concentrations of potential credit risk include mainly trade receivables and short-term cash investments. Short term cash investments are deposited with banks having a high credit rating. The Company's Management believes that there are no concentrations of credit risk for which no adequate provision has been made as at the reporting date.

### **Liquidity risk**

Liquidity risk is that the group has difficulty in providing funds to meet its financial obligations associated with financial instruments.

Liquidity risks may arise from the inability to sell financial assets quickly at an amount of near their fair value. The Group manages liquidity risk by monitoring working capital requirements and cash flows regularly and ensuring that banking facilities are available when needed. The group's terms of contract require 60-120 days from the date of invoices, and commercial accounts are usually paid within 45-120 days of billing.

#### **14- Risk management (continued)**

##### **Increased risk concentration**

The concentration of risks arises when a number of other parties engage in similar business activities or activities in the same geographical area or when they have economic characteristics that result in their ability to meet contractual obligations similarly affected by changes in economic, political or other circumstances. The concentration of risks indicates the relative sensitivity of the group's performance to developments affecting an industry.

#### **15- Interim condensed results and adjustments for the period**

All adjustments that the company's management deemed important have been prepared so that the interim condensed consolidated balance sheet and business results for the period appear fairly. The business results for the interim condensed consolidated financial period may not represent an accurate indication of the actual results of the full year's business.

#### **16- Dividends paid:**

The Board of Directors of the company decided based on a prior authorization from the company's general assembly at their meeting on August 10, 2023, to distribute cash dividends to the company's shareholders for the first half fiscal year 2023, with an amount of (SAR 7,087,500) distributed on the number of shares of 10,125,000 shares, 0.70 Saudi riyals per share, distribution ratio of nominal value is 7%.

The company's ordinary general assembly approved at their meeting on May 2, 2023, on the recommendation of the company's board of directors, to distribute cash dividends to the company's shareholders for the second half fiscal year 2022, with an amount of (SAR 11,137,500) distributed on the number of shares of 10,125,000 shares, 1.10 Saudi riyals per share, distribution ratio of nominal value is 11%.

The Board of Directors of the company decided based on a prior authorization from the company's general assembly at their meeting on March 13, 2022, to distribute cash dividends to the company's shareholders for the fiscal year 2021, with an amount of (SAR 17,718,750) distributed on the number of shares of 10,125,000 shares, 1.75 Saudi riyals per share, distribution ratio of nominal value is 17.5%. it approved in the general assembly's on May 9, 2022.

The Board of Directors of the company decided based on a prior authorization from the company's general assembly at their meeting on August 9, 2022, to distribute cash dividends to the company's shareholders for the first half of the fiscal year 2022, with an amount of (SAR 7,087,500) distributed on the number of shares of 10,125,000 shares, 0.70 Saudi riyals per share, distribution ratio of nominal value is 7%.

#### **17- Subsequent events:**

Group management considers that there are no significant subsequent events after the date of the report that require their modification or disclosure in these interim condensed consolidated financial statements.

#### **18- Approval of the interim condensed consolidated financial statements**

These interim condensed consolidated financial statements were approved by the Company's Board of Directors on Rabi' II 24, 1445 H (corresponding November 8, 2023).